Message Text

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PAGE 01 BONN 07343 01 OF 05 201545Z ACTION ACDA-12

INFO OCT-01 ARA-14 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-08 H-02 INR-10 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07 SP-02 SS-15 STR-07 TRSE-00 NRC-07 PA-02 IO-14 LAB-04 SIL-01 /165 W

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R 191642Z APR 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 7855
INFO AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY VIENNA
AMEMBASSY BRASILIA
AMEMBASSY THE HAGUE

UNCLAS SECTION 01 OF 05 BONN 07343

USEEC, USIAEA, USOECD

DEPT PASS NRC

USDOE WASHDC

E.O. 11652: N/A

TAGS: ENRG, TECH, PARM, GW

SUBJECT: INTERVIEW BY FRG RESEARCH AND TECHNOLOGY

MINISTER HAUFF ON U.S. NON-PROLIFERATION ACT

1. SUMMARY. FOLLOWING IS AN INFORMAL TRANSLATION OF AN INTERVIEW WITH WEST GERMAN (FRG) MINISTER FOR RESEARCH AND TECHNOLOGY, DR. VOLKER HAUFF IN THE WEEKLY MAGAZINE "DER SPIEGEL" ON APRIL 17, 1978. HAUFF COMMENTS ON THE EFFECTS OF THE NEW U.S. NON-PROLIFERATION ACT ON THE SUPPLY OF NUCLEAR FUEL AND ON THE GENERAL ENERGY POLICY IN THE FRG. HAUFF EXPRESSED UNCLASSIFIED

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PAGE 02 BONN 07343 01 OF 05 201545Z

CONFIDENCE IN CONTINUED U.S. FUEL SUPPLY AND NOTED THAT THERE ARE NO DIFFERENCES OF OPINION (ON INTERNATIONAL NON-PROLIFERATION AIMS) BETWEEN THE GERMAN AND THE AMERICAN GOVERNMENTS." END SUMMARY.

2. BEGIN INFORMAL TRANSLATION:

SPIEGEL: THE URANIUM ULTIMATUM OF U.S. PRESIDENT CARTER HAS PASSED. HE CAN CUT GERMANY OFF FROM THE SUPPLY OF NUCLEAR FUEL IF BONN DOES NOT ACCEPT STRICTER SAFEGUARD PROVISIONS AND IS NOT WILLING TO RENEGOTIATE EXISTING AGREEMENTS WITH THE U.S. WILL THE FRG HAVE TO SHUT DOWN SOME OF ITS REACTORS IN THE NEAR FUTURE?

HAUFF: CERTAINLY NOT. WE HAVE NO REASON TO DOUBT MR. CARTER'S WORD IN CONNECTION WITH THE INTERNATIONAL FUEL CYCLE EVALUATION (INFCE) THAT DURING THE INFCE STUDY CONDITIONS FOR DELIVERY OF NUCLEAR FUEL WILL NOT BE ALTERED.

SPIEGEL: WHAT THEN IS THE PURPOSE OF THE NEW U.S. NON-PROLIFERATION ACT?

HAUFF: CARTER WANTS TO GIVE IMPETUS TO INTERNATIONAL NON-PROLIFERATION POLICIES. IN THIS GENERAL AIM THERE ARE NO DIFFERENCES OF OPINION BETWEEN THE GERMAN AND THE AMERICAN GOVERNMENTS.

SPIEGEL: THIS SEEMS TO BE NEW. ONLY A FEW WEEKS AGO WE NOTICED SERIOUS CONCERN IN THE CHANCELLOR'S OFFICE AND FOREIGN MINISTRY. DID THE CABINET DECIDE TO PLAY DOWN THE EFFECTS OF THE ACT (ON EUROPE) IN ORDER TO AVOID ANOTHER CONFRONTATION WITH THE U.S. AFTER THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 07343 01 OF 05 201545Z

CONTROVERSIES ON MONETARY AND MILITARY POLICIES?

HAUFF: AS A MATTER OF FACT, THE U.S. GOVERNMENT APPROVED THE EXPORT OF 322 KILOGRAMS OF HIGHLY-ENRICHED URANIUM FOR WEST GERMAN REACTORS ONE DAY AFTER THE 30-DAY DEADLINE EXPIRED ON APRIL 10.

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PAGE 01 BONN 07343 02 OF 05 201547Z ACTION ACDA-12 INFO OCT-01 ARA-14 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-08 H-02 INR-10 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07 SP-02 SS-15 STR-07 TRSE-00 NRC-07 PA-02 IO-14 LAB-04 SIL-01 /165 W

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AMEMBASSY BRASILIA
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UNCLAS SECTION 02 OF 05 BONN 07343

USEEC, USIAEA, U

USDOE WASHDC

SPIEGEL: BUT CURRENT AGREEMENTS WITH THE U.S. ARE NOT DUE TO EXPIRE FOR SOME YEARS.

HAUFF: THEY RUN INTO THE 1990'S, BUT THAT IS NOT THE PROBLEM. THE CURRENT DISCUSSION GOING ON IN THE U.S. DOES NOT POSE ANY PROBLEM FOR US AS FAR AS SUPPLY OF URANIUM IS CONCERNED; WE RECEIVE NO NATURAL URANIUM FROM THE U.S., WE "ONLY" RECEIVE ENRICHED MATERIAL.

SPIEGEL: ON WHICH THE FRG REACTORS DEPEND $100\ \text{PERCENT}.$

HAUFF: OUR COMMERCIAL REACTORS ARE ABOUT 60 PERCENT DEPENDENT ON U.S. FUEL, AND FRG RESEARCH REACTORS DEPEND UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 07343 02 OF 05 201547Z

COMPLETELY ON THE U.S.

SPIEGEL: OUR NATURAL URANIUM IS MAINLY PROVIDED BY CANADA. WHO CAN GUARANTEE THAT OTTAWA IS NOT GOING TO FOLLOW THE AMERICAN LEAD AND TERMINATE DELIVERIES?

HAUFF: THIS IS A SPECULATIVE QUESTION WHICH I THINK IS POLITICALLY OFF THE POINT.

SPIEGEL: THE QUESTION IS NOT FARFETCHED. CHANCELLOR SCHMIDT COUNTED IT AS GREAT SUCCESS LAST YEAR WHEN HE WAS ABLE TO CONVINCE PREMIER TRUDEAU THAT CANADA SHOULD DEFER ITS HALT IN DELIVERIES TO THE EC FOR THREE YEARS.

HAUFF: AT THIS POINT OUR PRIMARY TASK IS TO LEAVE NO DOUBT OF OUR COMMITMENT TO ACTIVELY SUPPORT NUCLEAR NON-PROLIFERATION

SPIEGEL: COULD THERE EVER HAVE BEEN ANY DOUBT ABOUT THIS COMMITMENT?

HAUFF: NO. NEITHER HAS THERE EVER BEEN A DELIVERY HALT AND THERE WON'T BE ONE IN THE FUTURE.

SPIEGEL: THERE SEEMS TO BE MUCH GREATER CONCERN IN THE CHANCELLOR'S OFFICE. AN INTERNAL MEMO STATES THAT UNDER THE NEW ACT THE FRG COULD NOT ENRICH, REPROCESS OR STORE URANIUM AND PLUTONIUM, AND COULD NOT EXPORT NUCLEAR MATERIAL TO THIRD COUNTRIES WITHOUT THE PRIOR U.S. APPROVAL.

HAUFF: WHAT WE ARE REALLY WORRIED ABOUT IS THE WAY EXISTING DIFFERENCES IN OPINION BETWEEN GERMANY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 07343 02 OF 05 201547Z

AND THE U.S. ARE PUBLICLY DISCUSSED. I REALLY SEE A BIG DANGER THAT THIS MIGHT DEVELOP INTO A PROFOUND DISTURBANCE BETWEEN THE FRG AND THE U.S. OR EVEN BETWEEN EUROPE AND THE U.S.

SPIEGEL: ARE YOU REFERRING TO STATEMENTS BY POLITICAL LEADERS, ONE OF WHOM IS THE CHANCELLOR?

HAUFF: I AM REFERRING TO STATEMENTS BY MR. STRAUSS AND MR. ZIMMERMANN (CDU/CSU DEPUTY FLOOR LEADER) ON U.S. GOVERNMENT DECISIONS. THIS IS THE OPPOSITE OF RESPONSIBLE POLITICS - IT IS SHOWING OFF.

SPIEGEL: WHY DID THE U.S. APPROVE THOSE NEW URANIUM DELIVERIES LAST WEEK?

HAUFF: THE NEW AMERICAN LAW IS FAIRLY COMPLEX AND AT THE SAME TIME LEAVES CONSIDERABLE ROOM FOR INTERPRETATION. IT GIVES THE U.S. PRESIDENT QUITE A BIT OF DISCRETION. IN THE LAST FEW WEEKS WE HAVE TRIED TO MAKE CERTAIN THE PRESIDENT CONTINUES TO FEEL BOUND BY HIS WORD, GIVEN US NOT TOO LONG AGO (NOT TO CHANGE THE STATUS QUO DURING INFCE).

SPIEGEL: AND (FRG) CRITICISM MIGHT NARROW HIS MANEU-VERING ROOM IN THE U.S.?

HAUFF: BECAUSE OF THE OATH I'VE SWORN, I HAVE TO DO MY

BEST TO PREVENT DAMAGE TO MY COUNTRY AND TO ASSURE OUR ADVANTAGES ARE AS GREAT AS POSSIBLE. I AM TRYING TO UPHOLD OUR INTERESTS IN ANY DISCUSSIONS OR CONTROVERSIES IN WHICH WE ARE INVOLVED.

SPIEGEL: YOU SEEM SATISFIED THAT PRESIDENT CARTER HAS APPROVED A NEW DELIVERY OF URANIUM AFTER THE DEADLINE... UNCLASSIFIED

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PAGE 04 BONN 07343 02 OF 05 201547Z

UNCLASSIFIED

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UNCLASSIFIED

PAGE 01 BONN 07343 03 OF 05 191740Z POSS DUPE ACTION ACDA-12

INFO OCT-01 ARA-14 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-08 H-02 INR-10 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07 SP-02 SS-15 STR-07 TRSE-00 NRC-07 PA-02 IO-14 LAB-04 SIL-01 /165 W

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UNCLAS SECTION 03 OF 05 BONN 07343

USEEC, USIAEA, U

HAUFF: I AM NOT COMPLETELY SATISFIED WITH THAT, I JUST FIND IT WORTH NOTING. . .

SPIEGEL: AREN'T YOU ADMITTING THAT THE TAP COULD BE CUT OFF.

HAUFF: IF HE SHOULD DECIDE TO GO BACK ON EARLIER PROMISES AND ASSURANCES, THAT THEORETICAL POSSIBILITY EXISTS.

SPIEGEL: PRESIDENT CARTER MOST RECENTLY SHOWED HOW HE INTERPRETS THE NEW ACT WHEN HE BLUNTLY TOLD BRAZIL'S PRESIDENT GEISEL THAT HE DOES NOT APPROVE THE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 07343 03 OF 05 191740Z POSS DUPE

DELIVERY OF GERMAN NUCLEAR INSTALLATIONS TO BRAZIL.

HAUFF: MR. CARTER HAD PREVIOUSLY PUBLICLY STATED THAT HE BELIEVES THAT IT WOULD HAVE BEEN BETTER HAD THE GERMAN-BRAZILIAN NUCLEAR DEAL NOT TAKEN PLACE. IT IS JUST AS CLEAR THAT WE, THE FEDERAL GOVERNMENT, HOLD A DIFFERENT VIEW. INDEED, THIS HAS NOT CHANGED.

SPIEGEL: WHAT CAN BONN DO TO PREVENT A HALT IN DELIVERIES AND TO AVOID SHORTAGES IN OUR ENERGY SUPPLY?

HAUFF: AT THEIR LAST MEETING THE GOVERNMENT HEADS OF THE WESTERN INDUSTRIAL NATIONS AGREED THAT INFCE SHOULD DEAL WITH THESE QUESTIONS.

SPIEGEL: THE DECISION ON INFCE OCCURRED BEFORE PASSAGE OF THIS NEW LAW.

HAUFF: YES, BUT THE NEW LAW CAN BE INTERPRETED AS COMPATIBLE WITH INFCE.

SPIEGEL:... CAN BE..

HAUFF: YES, CAN BE. WE THINK THAT INFCE SHOULD PRODUCE ITS RESULTS AND THAT THIS IS THE RIGHT WAY TO TACKLE THESE PROBLEMS.

SPIEGEL: WHY HAVE THE EUROPEAN COMMUNITY (EC) COUNTRIES BEEN QUARRELING FOR MONTHS ABOUT WHETHER TO ANSWER THE U.S. REQUEST TO RENEGOTIATE OUR EXISTING AGREEMENTS?

HAUFF: THERE ARE DIFFERENT OPINIONS WITHIN THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 07343 03 OF 05 191740Z POSS DUPE

COMMUNITY. THE FRG IS PREPARED IN PRINCIPLE TO BEGIN CONSULTATIONS WITH THE U.S. BUT WE MUST FIRST DEVELOP A CONSENSUS WITHIN THE COMMUNITY ITSELF.

SPIEGEL: AT THE MOMENT IT IS THE FRENCH WHO ARE OUT OF STEP. THEY WOULD LIKE TO SELL ENRICHED URANIUM THEMSELVES IN THE NEAR FUTURE.

HAUFF: I CANNOT EXCLUDE THAT COMMERCIAL INTERESTS ALSO PLAY A PART IN THESE QUESTIONS, BUT I DO NOT ACCEPT AN EXPLANATION THAT SAYS THAT THE PRIME MOTIVATION OF THE FRENCH IS ONLY COMMERCIAL. THAT WOULD BE A LITTLE NARROW

SPIEGEL: ISN'T THE ARGUMENT THAT NUCLEAR ENERGY WILL MAKE THE FRG MORE INDEPENDENT OF ENERGY IMPORTS OUTDATED IF THE WHOLE DIPLOMATIC WORLD HAS TO BE INVOLVED TO ASSURE OUR SUPPLIES OF NUCLEAR FUEL?

HAUFF: AT THE MOMENT SUPPLIES FOR COMMERCIAL REACTORS ARE COVERED UNTIL 1981. WE HAVE SUBSTANTIAL STOCKS OF ENRICHED URANIUM AND OF FUEL ELEMENTS. BY THE BEGINNING OF THE EIGHTIES WE WILL HAVE CONSIDERABLE ENRICHMENT CAPACITY OF OUR OWN, TOGETHER WITH GREAT BRITAIN AND THE NETHERLANDS. IN OTHER WORDS, LOOKING AT SUPPLY, THE SITUATION SHOULDN'T BE OVER-DRAMATIZED.

SPIEGEL: THE DUTCH PARLIAMENT IS CURRENTLY BLOCKING EXPANSION OF THE TRIPARTITE ENRICHMENT PLANT AT ALMELO.

HAUFF: WE ARE ALSO DISCUSSING A JOINT VENTURE WITH THE BRITISH GOVERNMENT.

SPIEGEL: DOES THAT MEAN WEST GERMANY AND GREAT BRITAIN MAY BE GOING IT ALONE?
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PAGE 04 BONN 07343 03 OF 05 191740Z POSS DUPE

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UNCLASSIFIED

PAGE 01 BONN 07343 04 OF 05 191727Z POSS DUPE ACTION ACDA-12

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UNCLAS SECTION 04 OF 05 BONN 07343

USEEC, USIAEA, U

HAUFF: WE HAVE TO BE CERTAIN WE CAN COVER OUR NEEDS EVEN IF THE DUTCH DECIDE THAT THEY ARE NOT INTERESTED IN FURTHER COOPERATION WITH US IN THE ENRICHMENT FIELD.

SPIEGEL: DO YOU FEEL THAT THE NUCLEAR ENERGY GOALS SET BY THE FRG CAN BE MET?

HAUFF: AT THE MOMENT I DO NOT SEE ANYTHING THAT MIGHT SUGGEST WE SHOULD REVIEW OUR NUCLEAR PROGRAM.

SPIEGEL: IN THE FIFTIES OIL WAS DECLARED THE NUMBER ONE ENERGY SOURCE AND SUBSEQUENTLY ONE COAL MINE AFTER UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 07343 04 OF 05 191727Z POSS DUPE

THE OTHER WAS SHUT DOWN, DESPITE ALL WARNINGS OF THE RESULTING DEPENDENCE. SHOULDN'T THESE EXPERIENCES RESULT IN A PARTICULAR CAUTIOUSNESS?

HAUFF: YES, AND THE CAUTIOUSNESS LIES IN THE FACT THAT WE SET OUR PRIORITY IN THE RATIONAL USE OF ENERGY AND THEN IN THE UTILIZATION OF ENERGY SOURCES THAT ARE

AVAILABLE IN OUR COUNTRY.

SPIEGEL: UNTIL RECENTLY THE CITIZENS' INITIATIVES WERE THE ONES BLAMED FOR BLOCKING INVESTMENTS OF SEVERAL BILLION DM BY THEIR PROTESTS AND INTERVENTIONS AND THUS CONTRIBUTING TO UNEMPLOYMENT. NOW THAT THE "GREENIES" HAVE POSSIBLY FOUND A VERY POTENT ALLY IN PRESIDENT CARTER, THE FEDERAL GOVERNMENT HAS TO FIND SOME SOLUTION TO THE UNEMPLOYMENT PROBLEM WITHOUT THE INTENSIFIED EXPANSION OF NUCLEAR ENERGY.

HAUFF: LET'S LEAVE ASIDE CARTER AND THE "GREENIES". WE HAVE ALREADY UNDERTAKEN SEVERAL STEPS, LIKE OUR PROGRAM FOR THE PROMOTION OF ECONOMIC GROWTH AND FOR INVESTMENTS FOR THE FUTURE. ANOTHER PROGRAM WILL PROMOTE PUBLIC DEMAND FOR ENERGY SAVING TECHNIQUES AND PRODUCTS - SUCH AS SOLAR ENERGY FACILITIES, HEAT PUMPS, HEAT-POWER COUPLING, HEAT TRANSPORTATION SYSTEMS, BUILDING INSULATION.IN THE FEDERAL REPUBLIC SOME 360,000 JOBS MAY BE STABILIZED OR CREATED IN THE NEXT FIVE YEARS WITH THESE PROGRAMS.

SPIEGEL: THAT'S NOT SUFFICIENT, WITH A TOTAL OF SOME 1 MILLION JOBLESS.

HAUFF: WE WILL HAVE TO SUPPORT THE INDUSTRY TO DEVELOP UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 07343 04 OF 05 191727Z POSS DUPE

NEW TECHNIQUES AND TECHNICALLY SENSIBLE PRODUCTS. I PLEAD THAT WE NOT REACT WITH SUBVENTIONS, BUT RATHER WITH INNOVATIONS.

SPIEGEL: THAT SOUNDS GOOD AND FORWARD-LOOKING, BUT DIDN'T IT TAKE THE STRIKES OF THE COMPOSITORS, PRINTERS AND METAL WORKERS TO GET THE CHANCELLOR TO ASK YOU AND YOUR COLLEAGUES FROM THE ECONOMIC MINISTRY FOR A STUDY ON THE EFFECTS ON THE JOB MARKET CAUSED BY TECHNICAL PROGRESS?

HAUFF: IT IS CORRECT THAT THIS PROBLEM HAD BEEN RECOGNIZED BY US SOME TIME AGO AND THAT WE HAVE DEALT WITH THIS PROBLEM FOR QUITE SOME TIME. IN MY MINISTRY WE HAVE RESULTS OF VERY DETAILED STUDIES AT HAND ABOUT THE CONNECTION BETWEEN TECHNICAL DEVELOPMENT AND THE JOB MARKET.

SPIEGEL: WHY DIDN'T YOU PRESENT THESE PAPERS WHEN THE CHANCELLOR ASKED FOR INVESTIGATIONS?

HAUFF: WE DID, OF COURSE, PRESENT OUR RESULTS AND

POINTED OUT THE EXISTING PROBLEMS. BUT ANALYSES ALONE CANNOT SOLVE THE DIFFICULTIES. WE NEED SOME KIND OF TECHNOLOGY POLICY ACTION WHICH WILL BRING ALL INVOLVED PARTNERS TO THE TABLE: THE LABOR UNIONS, THE SCIENTISTS, ENTREPRENEURS AND ALSO THE FEDERAL GOVERNMENT WITH ALL ITS TOOLS.

SPIEGEL: A "CONCERTED ACTION FOR INNOVATION"?

HAUFF: NO, THAT WOULD NOT DESCRIBE IT.

SPIEGEL: WOULD YOU RATHER CALL THIS COMMITTEE A "STRUCTURAL COUNCIL"?

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PAGE 04 BONN 07343 04 OF 05 191727Z POSS DUPE

HAUFF: NO, "TECHNOLOGY POLICY ACTION". ALL PARONERS

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PAGE 01 BONN 07343 05 OF 05 191745Z POSS DUPE ACTION ACDA-12

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UNCLAS SECTION 05 OF 05 BONN 07343

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MAY TALK THERE OPENLY ABOUT THE RISKS THAT CAN BE ASSOCIATED WITH NEW TECHNOLOGIES. POLARIZATIONS LIKE THE LOCK-OUTS, PRACTICED BY THE ENTREPRENEURS DURING THE LAST FEW MONTHS, DO NOT SERVE ANY PURPOSE. GOOD IDEAS CAN ONLY BE REALIZED BY COOPERATION INCLUDING THE LABOR UNIONS AND TAKING INTO CONSIDERATION THE LEGITIMATE DEMANDS OF THE WORKING PEOPLE.

SPIEGEL: DO YOU BELIEVE THAT OUR SOCIETY CAN AFFORD, AS DEMANDED BY THE GERMAN FEDERATION OF LABOR UNIONS (DGB), ESPECIALLY IN THE ERA OF MICRO-ELECTRONICS WITH ITS CONSEQUENCES FOR THE JOB MARKET, TO MEASURE "THE OVERALL SUCCESS OF A STRUCTURAL POLICY BY THE NUMBER AND THE QUALITY OF THE LONG RANGE JOBS AND BY THE NUMBER WHICH UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 07343 05 OF 05 191745Z POSS DUPE

HAVE BEEN CREATED ADDITIONALLY?"

HAUFF: IF IT IS RIGHT THAT OUR ECONOMICAL SYSTEM IS BEST SUITED TO MEET THE FUNDAMENTAL NEEDS OF OUR PEOPLE, THEN IT MUST PRIMARILY BE ABLE, TOO, TO SATISFY THE "RIGHT FOR WORK". THIS MUST NOT BE A SIDE PRODUCT OF ECONOMICAL CONSIDERATIONS.

SPIEGEL: COULD YOU GIVE US AN EXAMPLE OF AN INNOVATION THAT YOU PROMOTE WHICH CREATES NEW JOBS IN A SUBSTANTIAL AMOUNT?

HAUFF: ASIDE FROM ENERGY CONSERVATION MEASURES, I MAINLY THINK ABOUT PLANS FOR A LONG-TERM AUTOMOBILE. THE STUTTGART COMPANY PORSCHE HAS PROVED THAT SUCH A CONCEPT WOULD LEAD TO A MORE LABOR-INTENSIVE PRODUCTION AND WOULD EVEN CREATE NEW JOBS IN SUB-CONTRACTOR INDUSTRIES. VERY OFTEN THE COMPANIES JUST LACK THE NECESSARY INNOVATION POISE AND VITALITY WHICH UNFORTUNATELY, THE STATE CANNOT DIRECT. FOR EXAMPLE, I CONSIDER IT VERY UNFORTUNATE THAT A BIG CONSORTIUM LIKE KRUPP/DEMAG BACKED OUT OF A 70 MILLION DM RISK IN THE CONSTRUCTION OF A SEA WATER DESALINATION PLANT. THE COMPANY HAD THROWN IN THE TOWEL, ALTHOUGH WE OFFERED TO PROVIDE THE MONEY FOR THE NECESSARY R & D WHICH AMOUNTED TO ALMOST HALF OF THIS SUM.

SPIEGEL: YOUR INFLUENCE IS VERY LIMITED. HOW DO YOU DECIDE IN SUCH A CONFLICT BETWEEN IMPROVING PRODUCTIVITY AND THE JOB SITUATION?

HAUFF: SUCH A FORMULA IS JUST TOO SIMPLE FOR SUCH A COMPLICATED MATTER? UNCLASSIFIED

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PAGE 03 BONN 07343 05 OF 05 191745Z POSS DUPE

SPIEGEL: NEVERTHELESS A POLITICIAN HAS TO DECIDE.

HAUFF: IN 1978 AND THE FOLLOWING YEARS, THE REINSTALLATION OF FULL EMPLOYMENT MUST HAVE THE PRIORITY, NOT ONLY BECAUSE OF ECONOMIC REASONS, BUT ALSO BECAUSE A LONG-TERM HIGH UNEMPLOYMENT RATE MIGHT LEAD TO FUNDAMENTAL POLITICAL CONVULSIONS WHICH COULD EVENTUALLY DESTROY THE DEMOCRATIC STRUCTURE OF OUR COUNTRY.

SPIEGEL: ISN'T THE LAST EFFECTIVE MEASURE A REDUCTION OF THE WORKING HOURS, TAKING INTO ACCOUNT THE WEAK STATE OF PUBLIC FINANCE AND THE EXISTING DIFFICULTIES TO REMEDY THE EMPLOYMENT PROBLEMS BY TECHNOLOGICAL CHANGES.

HAUFF: THE REDUCTION OF THE WORKING HOURS CAN ONLY BE AN ADDITIONAL MEASURE. I WOULD CONSIDER IT SHORT-SIGHTED TO NARROW DOWN THE DISCUSSION TO THIS ALTERNATIVE. I FAVOR AN UPSWING BY INNOVATION. A LITTLE MORE PIONEER SPIRIT WOULD BE VERY HEALTHY FOR ALL OF US.

SPIEGEL: MR. MINISTER, THANK YOU VERY MUCH FOR THIS DISCUSSION.
END INFORMAL TRANSLATION.
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